



METROPOLITAN
TRANSPORTATION
COMMISSION
SERVICE AUTHORITY
FOR FREEWAYS
AND EXPRESSWAYS

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Memorandum

TO: Operations Committee

DATE: May 6, 2011

FR: Deputy Executive Director, Operations

W.I.: 1231, 1232, 1235, 1237

RE: MTC SAFE FY 2011-12 Draft Budget – MTC SAFE Resolution 56

The SAFE program will begin the next fiscal year with an Operating Reserve of \$12.3 million. With the proposed expenditures and transfers in the draft FY 2011-12 budget described in this memo, we project the SAFE reserve will have a balance of \$12.5 million at the close of FY 2011-12. In addition, we project a capital reserve balance of \$6.1 million at the end of FY 2011-12.

Budget Summary (in thousands)

<u>Operating Budget</u>		<u>Capital Budget</u>	
Opening Reserve Balance	\$12,333	Opening Reserve Balance	\$6,479
FY 2011-12 Operating		FY 2011-12 Capital	
Revenue	\$17,320	Revenue	\$8,160
Expenses	<\$16,277>	Expenses	<\$8,510>
Transfers	<\$850>	Transfers	\$0
Operating Surplus	\$193	SAFE Transfer	<\$350>
Ending Reserve Balance	\$12,526	Ending Reserve Balance	\$6,129

Operating Budget

We are forecasting that annual vehicle registration fees dedicated to the Bay Area Call Box program will hold steady at approximately \$5.9 million. The Freeway Service Patrol is expected to receive State funding of approximately \$6.0 million and \$3.6 million in federal Surface Transportation Program (STP) funding. In combination with other funding sources, total operating revenues for the SAFE program are forecast to be \$17.3 million in FY 2011-12.

Operating expenditures will total \$16.3 million, the bulk of which is for Freeway Service Patrol (FSP) tow service contracts (\$9.2 million). Other operating expenses include \$1.6 million for general

operations and \$1.0 million for consulting services. MTC SAFE will transfer approximately \$850,000 to the 511 program to provide local match for Federal grants.

Capital Budget

SAFE will receive \$8.2 million in non-SAFE funding for the Incident Management and Freeway Performance Initiative projects in the SAFE capital program. The draft budget recommends \$8.5 million for new capital projects in FY 2011-12 (listed in Attachment B), which requires a SAFE contribution of \$350,000.

SAFE Program Reserves

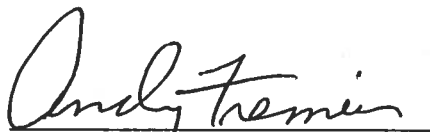
The SAFE Program has two reserves, an Operating Reserve and a Capital Reserve. An increase of STP funds for the Freeway Service Patrol program and a decrease in operating expenditures for the Freeway Service Patrol and Call Box programs will balance operating revenues and expenses in FY 2011-12. As a result, the SAFE operating reserve is expected to stabilize within a range of \$9 and \$12 million over the next five years. At the close of FY 2011-12, we anticipate an operating reserve of approximately \$12.5 million and a capital reserve of approximately \$6.1 million.

The SAFE Operating Reserve at the close of the last audited fiscal year, 2009-10, was \$12.1 million. To determine the opening FY 2011-12 reserve figure of \$12.3 million, the difference between operating revenues and expenditures from the FY 2010-11 budget is applied. The following are the components of the last audited \$12.1 SAFE Operating Reserve at the close of FY 2009-10:

Un-Invoiced MTC Transfer	\$4.1 million
Cash	\$3.2 million
Investments	\$1.6 million
Accounts Receivable	\$1.7 million
Fixed Assets	\$1.4 million
Pre-Paid Next FY	\$0.1 million

MTC SAFE is required to maintain an operating reserve of 20%. Using the above figures, MTC SAFE has \$4.9 million Cash and Accounts Receivable, which is approximately 30% of our SAFE operating budget.

This is an information item only. Staff will return in June with the final FY 2011-12 SAFE budget for approval.



Andrew B. Fremier

SH: SP

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**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2011-12 BUDGET**

Date: May 10, 2011
SAFE: WE 1231, 1232, 1235 & 1237

SAFE RESOLUTION NO. 56

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**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2011-12 BUDGET**

Revenue and Expense Summary

	FY 2010-11	FY 2011-12	Percent Change
OPERATING REVENUE/EXPENSE			
Call Box	\$7,833,640	\$8,250,000	5.3%
FSP	\$10,360,000	\$9,070,000	-12.5%
Subtotal Operating Revenue	\$18,193,640	\$17,320,000	-4.8%
Call Box	\$5,407,318	\$5,304,696	-1.9%
FSP	\$11,647,574	\$10,972,412	-5.8%
Subtotal Operating Expense	\$17,054,892	\$16,277,108	-4.6%
Operating Surplus (Shortfall)	\$1,138,748	\$1,042,892	-8.4%
CAPITAL REVENUE/EXPENSE			
Freeway Performance Initiative	\$2,424,000	\$2,300,000	-5.1%
Incident Management	\$1,640,000	\$5,360,000	226.8%
Call Box	\$0	\$500,000	
Subtotal Capital Revenue	\$4,064,000	\$8,160,000	100.8%
Call Box	\$0	\$500,000	
FSP	\$0	\$250,000	
Incident Management	\$1,640,000	\$5,360,000	226.8%
Freeway Performance Initiative	\$2,574,000	\$2,400,000	-6.8%
Subtotal Capital Expense	\$4,214,000	\$8,510,000	101.9%
Capital Surplus (Shortfall)	(\$150,000)	(\$350,000)	133.3%
Transfers Out	(\$1,204,472)	(\$850,000)	-29.4%
CONTRIBUTION FROM RESERVES			
<i>In (Out)</i>	\$215,724	\$157,108	-27.2%
FISCAL YEAR SURPLUS(SHORTFALL)	\$0	\$0	

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2011-12 BUDGET**

REVENUE DETAIL

CALL BOX REVENUES	FY 2010-11	FY 2011-12	Percent Change
Vehicle Registration Fees	\$6,000,000	\$5,900,000	-1.7%
Grants (Incident Management & Freeway Performance Initiative)	\$1,660,000	\$1,200,000	-27.7%
Grants (Call Box)		\$1,000,000	
Interest	\$173,640	\$150,000	-13.6%
Subtotal: Call Box Revenues	\$7,833,640	\$8,250,000	5.3%
FSP REVENUES			
State Local Assistance Program (LAP)	\$6,600,000	\$6,000,000	-9.1%
State CMAQ carryover	\$100,000	\$300,000	200.0%
STP	\$3,560,000	\$2,670,000	-25.0%
Traffic Mitigation Program (Caltrans)	\$100,000	\$100,000	0.0%
Subtotal: FSP Revenues	\$10,360,000	\$9,070,000	-12.5%
CAPITAL REVENUES			
Highway 12 Corridor Study (various)	\$766,000		-100.0%
FPI Regional Corridor Studies (CCAG)		\$300,000	
Call Box (transfer from BATA for Bridges)		\$500,000	
FPI Corridor Study	\$858,000		-100.0%
FPI Corridor Study (Detection Fitness)	\$500,000		-100.0%
FPI SR 92/Hwy 101 Interchange (CCAG, SMCTA)	\$300,000		-100.0%
FPI Implementation (CMAQ)		\$2,000,000	
Incident Management (CMAQ)	\$1,640,000	\$5,360,000	226.8%
Subtotal: Capital Revenues	\$4,064,000	\$8,160,000	100.8%
RESERVE CONTRIBUTIONS			
Transfer - MTC Transfer	\$1,204,472	\$850,000	-29.4%
Transfer - Operating Shortfall/Surplus	(\$1,138,748)	(\$1,042,892)	-8.4%
Transfer - Capital Shortfall	\$150,000	\$350,000	133.3%
Subtotal: Changes in Reserves	\$215,724	\$157,108	-27.2%
Revenues Applied to Budget Year	\$22,473,364	\$25,637,108	14.1%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2011-12 BUDGET**

EXPENSE DETAIL			
SAFE OPERATING EXPENSE			
I. Salaries and Benefits	FY 2010-11	FY 2011-12	Percent Change
Call Box Program	\$560,132	\$570,317	1.8%
FSP Program	\$369,391	\$408,211	10.5%
Incident Management Program	\$535,455	\$449,708	-16.0%
Freeway Performance Initiative Program	\$902,128	\$1,021,537	13.2%
II. General Operations			
Call Box Program	\$1,314,269	\$1,311,134	-0.2%
FSP Program	\$264,640	\$284,356	7.5%
III. Consultant Services			
Call Box Program	\$417,500	\$361,000	-13.5%
FSP Program	\$625,000	\$625,000	0.0%
IV. Operating Contracts			
Call Box Program	\$1,677,834	\$1,591,000	-5.2%
FSP Program	\$10,388,543	\$9,654,845	-7.1%
CALL BOX Operating Expense	\$5,407,318	\$5,304,696	-1.9%
FSP Operating Expense	\$11,647,574	\$10,972,412	-5.8%
TOTAL OPERATING EXPENSE	\$17,054,892	\$16,277,108	-4.6%
SAFE CAPITAL EXPENSE			
V. Capital Expenditures			
Call Box	\$0	\$500,000	
FSP Program	\$0	\$250,000	
Incident Management	\$1,640,000	\$5,360,000	226.8%
Freeway Performance Initiative	\$2,574,000	\$2,400,000	-6.8%
TOTAL CAPITAL EXPENSE	\$4,214,000	\$8,510,000	101.9%
TRANSFERS OUT			
MTC (Freeway Emergency Preparation)	\$200,000		-100.0%
MTC (Arterial Operations Coordination)	\$233,889		-100.0%
MTC (511)	\$770,583	\$850,000	10.3%
TOTAL OTHER PROJECTS/TRANSFERS OUT	\$1,204,472	\$850,000	-29.4%
TOTAL EXPENSE	\$22,473,364	\$25,637,108	14.1%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2011-12 BUDGET**

I. SALARIES AND BENEFITS EXPENSE			
	FY 2010-11	FY 2011-12	Percent Change
CALL BOX PROGRAM			
Salaries	\$560,132	\$570,317	
Call Box Subtotal	\$560,132	\$570,317	1.8%
FREEWAY SERVICE PATROL			
Salaries	\$369,391	\$408,211	
FSP Subtotal	\$369,391	\$408,211	10.5%
INCIDENT MANAGEMENT (IM)			
Salaries	\$535,455	\$449,708	
IM Subtotal	\$535,455	\$449,708	-16.0%
FREEWAY PERFORMANCE INITIATIVE (FPI)			
Salaries	\$902,128	\$1,021,537	
FPI Subtotal	\$902,128	\$1,021,537	13.2%
Total Salaries and Benefits	\$2,367,106	\$2,449,773	3.5%
II. GENERAL OPERATIONS EXPENSE			
	FY 2010-11	FY 2011-12	Percent Change
CALL BOX PROGRAM			
Graphics/printing	\$10,000	\$7,500	-25.0%
Office depreciation	\$280,000	\$260,000	-7.1%
Travel	\$12,500	\$11,250	-10.0%
MTC overhead	\$501,359	\$457,968	-8.7%
FPI overhead	\$392,041	\$464,016	18.4%
Legislative advocacy	\$21,000	\$21,000	0.0%
Professional Memberships	\$7,500	\$9,150	22.0%
Insurance	\$40,000	\$40,800	2.0%
Audit	\$49,869	\$34,450	-30.9%
Legal Expenses		\$5,000	
Call Box Subtotal	\$1,314,269	\$1,311,134	-0.2%
FREEWAY SERVICE PATROL			
Graphics/printing	\$10,000	\$7,500	-25.0%
Office depreciation	\$9,000	\$9,000	0.0%
Travel	\$10,000	\$11,250	12.5%
MTC Overhead	\$148,638	\$185,256	24.6%
Insurance	\$40,000	\$40,800	2.0%
Audit	\$47,002	\$30,550	-35.0%
FSP Subtotal	\$264,640	\$284,356	7.5%
Total General Operations	\$1,578,909	\$1,595,490	1.1%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2011-12 BUDGET**

III. CONSULTANTS/PROFESSIONAL SERVICES EXPENSE

	FY 2010-11	FY 2011-12	Percent Change
CALL BOX PROGRAM			
Information/Data Management	\$110,000	\$80,000	-27.3%
Construction Services	\$20,000	\$10,000	-50.0%
Call Box Inspections	\$75,000	\$60,000	-20.0%
Private Dispatch consulting fees and back-up	\$12,500	\$11,000	-12.0%
511 Freeway Aid Marketing	\$150,000	\$150,000	0.0%
Consultant other	\$50,000	\$50,000	0.0%
Call Box Subtotal	\$417,500	\$361,000	-13.5%
FREEWAY SERVICE PATROL			
Systems Integrator	\$325,000	\$250,000	-23.1%
FSP Benefit/Cost Analysis	\$250,000	\$150,000	-40.0%
FSP Pre-Award Audits		\$175,000	
Consultant other	\$50,000	\$50,000	0.0%
FSP Subtotal	\$625,000	\$625,000	0.0%
Total Consultant Expense	\$1,042,500	\$986,000	-5.4%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2011-12 BUDGET**

IV. OPERATING CONTRACTS EXPENSE

	FY 2010-11	FY 2011-12	Percent Change
CALL BOX PROGRAM			
CHP Dispatching	\$216,834	\$211,000	-2.7%
Telcommunication Services	\$276,000	\$280,000	1.4%
Call Box Repairs/Maintenance/Vandalism	\$950,000	\$900,000	-5.3%
Private Call Center	\$145,000	\$100,000	-31.0%
SAFE on 17 Program	\$50,000	\$50,000	0.0%
Incident Management/FPI Operations	\$30,000	\$40,000	33.3%
Call Box Operations	\$10,000	\$10,000	0.0%
Call Box Subtotal	\$1,677,834	\$1,591,000	-5.2%
FREEWAY SERVICE PATROL			
FSP Tow Service	\$9,908,593	\$9,201,645	-7.1%
CHP Funding Agreement	\$0	\$97,000	
In-vehicle Maintenance	\$141,250	\$60,000	-57.5%
Telecommunication Services	\$122,200	\$112,200	-8.2%
System Maintenance	\$50,000	\$50,000	0.0%
Equipment Replacement (hardware)	\$50,000	\$25,000	-50.0%
System Improvement (software)	\$50,000	\$50,000	0.0%
FSP General Operations	\$66,500	\$59,000	-11.3%
FSP Subtotal	\$10,388,543	\$9,654,845	-7.1%
Total Operating Contracts Expense	\$12,066,377	\$11,245,845	-6.8%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2011-12 BUDGET**

V. CAPITAL/PROJECT EXPENSE

	FY 2010-11	FY 2011-12
CALL BOX PROGRAM (1231)		
Bridge call boxes	\$0	\$500,000
Call Box Subtotal	\$0	\$500,000
FREEWAY SERVICE PATROL		
FSP Data System Upgrade	\$0	\$250,000
FSP Subtotal	\$0	\$250,000
INCIDENT MANAGEMENT PROJECTS (1235)		
IM Project Implementation (T-2035)	\$1,640,000	\$5,360,000
Incident Management Subtotal	\$1,640,000	\$5,360,000
FREEWAY PERFORMANCE INITIATIVE PROJECTS (1237)		
FPI Regional Corridor Studies	\$0	\$400,000
Highway 12 Corridor Study	\$916,000	\$0
SR 92/Hwy 101 Interchange Study	\$300,000	\$0
Corridor Analysis (Detection Fitness)	\$500,000	\$0
FPI Implementation (T-2035)	\$858,000	\$2,000,000
Freeway Performance Initiative Subtotal	\$2,574,000	\$2,400,000
Total Capital Expense	\$4,214,000	\$8,510,000

Attachment B
SAFE Capital Project Funding
FY 2011-12

- **Freeway Incident Management and Operational Efficiency Projects (\$5,360,000 Congestion Mitigation and Air Quality):** This funding will implement projects to enhance incident management and reduce congestion along the I-880 corridor in Alameda County. The I-880 corridor was selected to serve as a regional test bed to develop, deploy and assess the benefits of incident management strategies because it is a densely populated, multi-modal corridor that connects major employment centers. As a major goods movement corridor, I-880 has high traffic volumes and incident rates, and serves as a route of major economic significance both within the region and throughout the state. Specific project proposals are being developed in collaboration with Caltrans and local stakeholders, and will be brought to this committee for approval.
- **Freeway Performance Initiative (\$2,000,000 Congestion Mitigation and Air Quality):** This funding is intended to support the design, implementation, and maintenance of ramp meters, traffic operation systems, and transportation management center projects to maximize freeway performance and reliability.